

> Covid-19 Client Alert

Congress Increases Funding for Paycheck Protection Program Loans and Emergency Economic Injury Disaster Loan Grants

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Today, the President signed into law the [Paycheck Protection Program and Healthcare Enhancement Act](#) (the “Act”), which, among other things, expands the funding for the Paycheck Protection Program (“PPP”), the Economic Injury Disaster Loan (“EIDL”) program, and the emergency EIDL grant (“EIDL Grant”) program put into place by the [CARES Act](#). Businesses that previously missed out on a PPP or EIDL loan now have a second chance to receive vital federal relief funds.

Increased Funding for the Paycheck Protection Program

The PPP, which provides Small Business Act (“SBA”) loans to certain small business concerns at favorable terms and with the possibility of loan forgiveness for proceeds used for certain purposes (including payroll), was initially funded with \$349 billion by the CARES Act. The initial \$349 billion in PPP funding was exhausted last week. In response to the concerns over the depleted funding, Congress has now replenished the PPP by providing another \$310 billion in funding for PPP loans, resulting in a total of \$659 billion in loans made available to small businesses through the PPP.

Notably, the Act sets aside \$60 billion of the additional PPP funding for loans made by smaller insured depository institutions and credit unions in an effort to make PPP loans more accessible to small businesses that do not currently have banking relationships established at larger lending institutions.

Increased Funding for the Economic Injury Disaster Loan Program

Congress has also added \$60 billion in funding to the SBA’s emergency EIDL program, which provides low-interest, non-forgivable loans to small businesses affected by the COVID-19 pandemic. In addition, the Act expands the scope of the small business concerns eligible for an EIDL to include agricultural businesses with fewer than 500 employees.

This funding increase for the EIDL program includes an additional \$10 billion for the popular EIDL Grant program, which provides up to \$10,000 in grants to EIDL applicants who apply for SBA emergency EIDLs. This doubles the initial \$10 billion of EIDL Grant funding made available under the CARES Act, which was also depleted last week.

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Morrison Cohen LLP has created the [COVID-19 Resource Taskforce](#), a multidisciplinary taskforce comprised of attorneys with deep expertise in a broad range of legal areas, to assist clients navigating the challenging and uncertain business and legal environment caused by the COVID-19 pandemic. We encourage clients to utilize our capabilities by reaching out to their primary Morrison Cohen attorney contact, who will put you in touch with the appropriate Taskforce person. You may also reach out directly to Joe Moldovan and Alec Nealon, the Taskforce co-chairs:

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